

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2469 – SB 2466**

March 8, 2016

**SUMMARY OF ORIGINAL BILL:** Requires the Tennessee Higher Education Commission (THEC) to perform a study on the effectiveness of dual enrollment grants in promoting college degree attainment and to make a recommendation to the General Assembly for changes and improvements to the program.

**FISCAL IMPACT OF ORIGINAL BILL:**

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012628):** Deletes all language after the enacting clause. Requires the dual enrollment grant award (DEG) to be \$500 for each of the first four courses taken. The DEG award for courses five through eight shall be determined by the Tennessee Student Assistance Corporation (TSAC) and shall not exceed the cost per credit hour of courses taken at community colleges in the state university and community college system.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures –**

**\$8,760,300/Lottery for Education Account/FY16-17**  
**Exceeds \$8,760,300/Lottery for Education Account/FY17-18**  
**and Subsequent Years**

**Assumptions for the bill as amended:**

- The DEG program currently pays for two free courses, courses one and two, for students in the program; pays for up to \$200 of course three; and does not pay for course four.
- The DEG awards for courses five through eight are currently determined by TSAC. This determination will be unchanged as a result of the bill as amended.
- TSAC has provided detailed data on the number of students that have taken DEG courses from FY12-13 through FY15-16 and the estimated number of students that will take such courses in FY16-17 and FY17-18 under current law.
- For purposes of brevity, calculations from which the following estimates are derived have been omitted; however, such data is available upon request of Fiscal Review Committee staff.

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- According to TSAC, funding from the Lottery for Education Account (LFEA) for the cost for the dual enrollment grant program for FY16-17 is estimated to be \$15,283,147.
- Based on information provided by TSAC, the funding that would be required from the LFEA under the provisions of the bill as amended would be approximately \$24,043,450.
- The increase in state expenditures from the LFEA is estimated to be \$8,760,303 (\$24,043,450 - \$15,283,147) in FY16-17.
- The recurring increase in state expenditures from the LFEA in FY17-18 and subsequent years is estimated to exceed \$8,760,300.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee" followed by the letters "RNC" in a smaller, less legible script.

Krista M. Lee, Executive Director

/rbp